

QUALIFICATION BASED SELECTION

... an MTAS guide for procuring ~~professional engineering~~Design Professional services in Tennessee

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The Municipal Technical Advisory Service (MTAS) is a state-wide agency of the University of Tennessee Institute for Public Service, and helps ~~municipalities~~local government entities in Tennessee with technical consulting, training and field services.



In cooperation with the Tennessee Municipal League

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Qualification Based Selection Process

The purpose of this section is to present a simple, step-by-step procedure to help Tennessee ~~state, county, and local officials~~ municipal officials procure ~~design, architectural, land surveying and other design~~ professional services. ~~This guide promotes the qualifications-based selection (QBS) process.~~ QBS is an equitable, rational, objective process that enables the city-government entity to obtain the services of a highly-qualified professional at a fair and reasonable cost. By using the QBS process, a government entity ~~city~~ chooses to base consultant selection on qualifications. The quality of design professional-engineering services may lead to lower overall life cycle costs for the project.

When initiating a project, all owners—whether ~~municipalities~~ government entities, private companies, or institutions—and the design professionals with whom they contract, seek the same results: a completed project that meets the owner’s short-term and long-term needs, is completed on schedule and stays within budget. Following an organized process for selecting and procuring professional services will help both the owner and the design professional achieve these results.

Procuring professional services is both an objective and a subjective process. The following provides guidance for the process and discusses the following nine essential steps. Sample documents and forms for procuring professional services are provided.

~~Step 1: Define the Project~~

~~Step 2: Form the Selection Committee and Define Tasks~~

~~Step 3: Solicit Statements of Qualification~~

~~Step 4: Evaluate Statements of Qualification~~

~~Step 5: Notify Firms of Results and Conduct Site Visits~~

~~Step 6: Interview Short-Listed Firms~~

~~Step 7: Rank the Firms~~

~~Step 8: Negotiate the Contract~~

~~Step 9: Manage the Contract~~

Legal Requirements of Contracting for Design Professional Services

Tenn. Code Ann. § 12-4-107 established requirements for procuring professional services for all state, county and ~~municipal~~ local governments. The basic premise of this requirement is that the procurement of professional services will be based on recognized competence, not on competitive bidding. Cost is always an important consideration, but it should not be the first consideration in selecting professional services. Identifying and selecting the firm or individual best qualified to meet the city’s-entity’s needs are the first considerations.

Furthermore, the U.S. Congress established the federal Administrative Services Act in 1949, mandating that the QBS process be used for all federally funded projects. In 1972, Public Law 92-582 (40 U.S.C. 11) commonly known as the Brooks Act, amended the Administrative Services Act to include the U. S. government's selection procedures for the procurement of architectural and engineering-design professional services. The Brooks Act states:

The Congress hereby declares it to be the policy of the Federal Government to publicly announce all requirements for architectural and engineering-design professional services, and to negotiate contracts for architectural and engineering-design professional services on the basis of demonstrated competence and qualification for the type of professional services required and at a fair and reasonable price.

The Brooks Act was further amended in 1988 to include land surveyors and landscape architects.

Simply put, federal law mandates that all architectural, land surveying, and engineering-design professional services required for a federally funded project be procured on the basis of competence and qualifications with fees to be discussed once the firm has been selected.

The QBS process is endorsed by a variety of national professional associations, including:

- ~~American Bar Association~~
- ~~American Public Works Association~~
- ~~Associated General Contractors of America~~
- ~~American Road and Transportation Builders Association~~
- ~~American Water Works Association~~
- ~~U.S. Army Corps of Engineers~~
- ~~American Consulting Engineers Council~~
- ~~American Institute of Architects~~
- ~~American Congress of Surveying and Mapping~~
- ~~American Society of Civil Engineers~~
- ~~American Society of Landscape Architects~~
- ~~National Society of Professional Engineers~~
- ~~Management Association of Private Photogrammetric Surveyors~~

Procuring Professional Services and the Process

Why Procure Design Professional Professional Engineering Services?

Tenn. Code Ann. § 62-2-107 requires that public works projects over \$50,000 have plans and specifications prepared by a registered architect, engineer or landscape architect.

If the project involves a correctional facility—or an addition to one— Tenn. Code Ann. § 12-4-107(b)(1) must be observed if contracting with a construction manager or advisor.

Tenn. Code Ann. § 12-4-107(b)(4) allows an exception to this process for any city, county, or utility district that has an existing satisfactory contractual relationship for architectural or engineering services. The city, county, or utility district may expand the scope of services via a contract so long as those services sought are in the technical competency of the firm under current contract.

Why Follow the QBS Selection Process?

- To obtain the best professional services at a reasonable cost. As stewards of the people's money, elected officials and staff must be concerned with spending public funds wisely.
- To establish a level playing field providing all qualified professionals with an opportunity to be considered. Having a process in place provides equal opportunity for all professionals to be considered according to pre-determined criteria. It's a good way to ensure the best firm and the best cost.
- To ensure compliance with the Sunshine Law. Having a written procedure — equally applied and open to public scrutiny — ensures fairness, openness, and acceptance of the firm or individual ultimately selected.
- To provide guidance for decision makers. Selecting professional services is both an objective and a subjective process. Having a process is helpful for city officials who must make difficult choices.
- It is the law.

Steps for Qualification-Based Selection Process

Step 1: Define the Project

Defining the project may be one of the hardest tasks decision makers will face. But, the success of your project often hinges on how well you define it in the beginning. It may be easy to recognize the problem (for example, a need for centralized sewage treatment), but it is much harder to scope out a solution and the professional services your city needs.

If design professionals clearly understand the project, they can tailor their statements of qualifications to the project requirements. This gives the owner a more uniform basis for evaluating responses. Involve city staff, such as the public works director, the utility manager, or chief operator, to help define the project. Ask what, when, where, how, how much (will it cost), why and who.

- **What** problem(s) are we trying to solve? What is the scope of the problem? Does it affect a large segment of the city's citizens? Will it impact future growth? Does it involve correctional facilities? (If so, a construction

manager/agent can be used but subject to specific statutory requirements.)

- **When** do we need a solution? Is this an emergency? Is there an immediate environmental or health hazard? Are compliance issues involved? Do we need a short-term or long-term solution? What is the time frame for this project?
- **Where** is the problem? Define it geographically and in terms of impacted population. Does the project affect areas outside the corporate boundary?
- **How** will we meet the need? Do we need to procure outside professional services? Can city staff handle this? Are there other resources that could help (for instance, a nearby city, the county, MTAS or other technical assistance providers)?
- **How much** will it cost and how much can we afford to spend? The answers to these questions may help determine if a phased project is the way to go. It may help your city avoid being saddled with a heavy debt burden later. Is funding available? From which sources? What are the criteria and time frames for securing funding?
- **Why** are we doing this? Keep asking that question throughout the selection process and beyond.
- **Who** will be involved? You probably will need specialized expertise. Committee members should be knowledgeable to the greatest extent possible in the field of the scope of the project, with the appropriate technical expertise. What qualifications and skills are needed? Will state or federal regulatory agencies be involved? Funding agencies? Any other entities such as citizen groups or environmental groups? Who on the city's staff will manage this project? Proposals shall include names and qualifications of the team to be used on project, substitution must be approved in advance.

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Step 2: Form the Selection Committee

Once the project has been defined, establish an impartial selection ~~committee.~~
committee. The government entity forming the committee should make a determination based on the project how many members should be on the committee and what kind of expertise is needed to make an informed selection. An odd number of committee members should be prioritized. The committee should be no more than seven members nor fewer than three. A five to seven member committee is ideal. Some cities use the entire city council (if no more than seven members). Other cities involve citizens.

Before doing anything else, the committee should brainstorm, ~~then and then~~ answer questions under Step 1. Scope the project in writing with as much detail as possible. It is very important, however, not to form absolutes at this point. The project likely will be redefined many times before it is completed.

A form for scope of work is shown in A-4: Preliminary Scope of Services an example is shown in A-5: Example Request for Qualifications. The scope of work

may include:

- Owner's name
- A brief history of the owner, organization, and project description. The history should include the goals or events that precipitated the project.
- Project contact person, including address, telephone, e-mail address and fax numbers
- Project location
- Project specifications, including intended size, function, capacity and other anticipated general requirements (i.e., renovation, additions, new construction, demolition, land use, and site selection considerations)
- Descriptions of completed studies, surveys, and preliminary feasibility work relevant to the project and available to the firms that will be short-listed and interviewed
- Requirements for further feasibility planning prior to design and construction
- Anticipated project target dates, including completion of design work, beginning of construction and planned project completion date
- Description of the selection process and identification of selection committee
- Additional or unique requirements or considerations (i.e., referenda, anticipated funding delays and budgeting)

Besides refining the project scope, the jobs of the selection committee will be to (1) write the request for qualifications (RFQ), (2) review responses, (3) decide which firms to interview, (4) conduct the interviews, and (5) rank and recommend the most qualified firm. A few members of the selection committee may work with the city's administrative staff to negotiate a contract with the selected firm.

~~If possible, the committee should be composed of individuals with expertise in management, finance, technical aspects of projects and operations. Independent experts (such as hired consultants or technical assistance providers) may serve as ex-officio members to provide technical advice to the selection committee.~~

Selection Committee Tasks

The selection committee should define the type of professional services needed. Common types of professional services required in the course of a complex project include:

1. Preliminary design and development
 - Preliminary work — includes preliminary engineering design professional services and feasibility reports to set forth alternatives, cost estimates and regulatory requirements
 - Field investigations — includes topographical surveys, soil surveys and environmental assessments
 - Preliminary design — states assumptions, shows proposed layouts and outlines design concepts
2. Final design phase — this phase happens after approval of the preliminary

design by regulatory agencies and the project owner. It includes preparation of plans, specifications, permit applications, and contract documents that are required for approval of regulatory agencies and are necessary before construction can proceed. It also may include meetings with funding agencies.

3. Bidding/negotiating phase — the engineer-design professional helps the owner advertise the project, obtain and evaluate bids, and negotiate contracts for construction services.
4. Construction phase — this phase begins after approvals from the owner and regulatory agencies and after financing is in place. Activities include:
 - Assistance in drafting and/or reviewing a construction contract
 - Consultation with owner during construction
 - Review of shop drawings for compliance with design drawings and specifications
 - Full-time or periodic field inspections of work in progress and reporting findings to owner
 - Review and analysis of field testing reports
 - Mediation to resolve disputes between owner and contractor
 - Project start-up services
 - Final inspection and project completion
5. Operational phase — in this phase, the engineer-design professional provides training to city staff to operate and maintain the project.

Step 3: Solicit Statements of Qualifications

The next step is to solicit qualification statements from interested parties for professional services. This step commonly is called the request for qualifications (RFQ). The RFQ differs from a request for proposals (RFP). Issuing an RFP means that you are seeking a cost proposal. In the RFQ process, you are seeking the best-qualified firm. There are several ways to find the best firms:

- Personal experience with firms that your city has successfully dealt with on other projects
- Referrals from other cities that have recently completed similar projects may help you develop a list of prospective firms
- Directories from professional organizations such as the Tennessee Society for Professional Engineers (www.tnspe.org)
- Advertisements in newspapers, in trade magazines and on your city's website
- Direct mail-notification to firms or individuals who are prequalified vendors, or anyone who has requested to be notified

The RFQ package should contain the following information:

- An advertisement stating the name of the project, the owner, how to obtain additional information, and where and when RFQs should be submitted
- The requirements for the statements of qualifications (A-2: Requirements

for Statements of Qualifications)

- The schedule of activities the selection committee intends to follow (A-3: Schedule of Activities)
- The preliminary scope of services being sought (A-4: Preliminary Scope of Services and A-5: Example Request for Qualifications)
- The criteria to be used in evaluating RFQs, including relative weight of each evaluation factor (A-6: Statement of Qualifications Evaluation Form)

Step 4: Evaluate Statements of Qualification

When statements of qualification have been received, each member of the selection committee should use the criteria from A-6: Statement of Qualifications Evaluation Form to independently evaluate the written submittals and assign points. Part of the evaluation and scoring includes reference checks. The committee may choose to not use references as a weighted item at this stage if they wait until later in the process to check references.

~~Checking references is very important. Direct conversation with other owners who have dealt with the firms on other projects will give good information on how well the firms manage complex projects, how they work with contractors, how well they stay on schedule, etc. A suggested form for reference checks is found in A-7: Statement of Qualifications Reference Check Form. Reference check assignments could be divided among committee members to prevent multiple calls to the same reference.~~

After evaluating the written submittals, the selection committee chairman should compile all score sheets from individual committee members (see A-8: Statements of Qualifications Evaluation Summary Form). The results of the committee's evaluation yield the short list of firms to invite for presentations and interviews. For a large project, up to five firms may be interviewed. For smaller projects, at least three firms should be interviewed.

Step 5: Notify Firms of Results and Conduct Site Visits

~~By mail, N~~otify the firms not selected ~~for interviews.~~ Use a letter similar to the one in Appendix A-9. Recognize that the firms have put time and effort into responding to your RFQ. Thank them for their ~~interest.~~ ~~interest.~~ ~~In the notification, list the firms that will be interviewed. Some firms that were not selected may question why. This is where the selection criteria and scoring sheets are useful (Appendices A-6: Statement of Qualifications Evaluation Form, A-7: Statement of Qualifications Reference Check Form and A-8: Statements of Qualifications Evaluation Summary Form).~~ Remember, all of the selection committee's worksheets are open to the public.

~~By mail,~~ Notify all firms selected for interviews if interviews are necessary. Give information about the interview process. A letter similar to the one in A-10: Memo to Short-Listed Firms is suggested. Include:

- Time, date and place for the interview. It's important to let each firm know the amount of time planned for the interview (usually about one hour).
- Describe any studies or other information that would impact the project design, and tell how the firm can obtain a copy.
- Dates, times and contacts for site visits, if applicable. Individual site visits are ~~recommended~~ optional.
- The selection criteria and an explanation of the scoring process that will be used by the selection committee. See A-11: Interview Process: Questions and Score Sheet.

If necessary ~~Do not~~ conduct project site visits. In many cases, site or facility tours will be an integral part of the selection process. A tour of the project site offers firms first-hand knowledge of the proposed project and the owner's needs. Individual tours are recommended in lieu of having all short-listed firms together on a joint site visit. Tours may not be necessary in all cases, and such determinations should be made on a case-by-case basis.

Step 6: Interview and Check References for Short-Listed Firms

Interviews should be used by the committee to gain information about the firms. Design solutions, details, and costs are not yet expected at this stage.

Interviewing firms should be given ample space and time for their presentations. Each firm should be interviewed by the same panel, and have the same amount of time to interview. All panel members should be given time to ask questions and follow up questions of the firms.

The panel should record their impressions of each firm immediately following the interviews. All firms should be aware of the evaluation criteria, and the panel should stick to those criteria in their evaluations.

Interviews should be confidential. The panel should disallow competing firms from watching each other's presentations. This type of confidentiality is appropriate per Tennessee Code Annotated § 10-7-504 (28) "Proposals and statements of qualifications received by a local government entity in response to a personal service, professional service, or consultant service request for proposals or request for qualifications solicitation, and related records, including, but not limited to, evaluations, names of evaluation committee members, and all related memoranda or notes, shall not be open for public inspection until the intent to award the contract to a particular respondent is announced."

Comment [LM1]: This is the added section pertaining to confidentiality of interviews.

Checking references is important. Direct conversation with other owners who have dealt with the firms on other projects will give good information on how well the firms manage complex projects, how they work with contractors, how well they stay on schedule, etc. A suggested form for reference checks is found in A-7: Statement of Qualifications Reference Check Form. Reference check assignments could be divided among committee members to prevent multiple calls to the same reference. Criteria for evaluation of qualifications should be set prior to receiving a list of firms or individuals interested in submitting a proposal for the project. Checking references can happen after a short list has been developed, or after the preferred design professional has been selected.

The interview is an opportunity for the selection committee to gain more information about the short-listed firms and their approaches. The selection committee should not expect design details or cost estimates at this time. The committee should be concerned about the firm's competence, its expertise, and its financial responsibility. Consistency is important.

The physical set-up of the interview should be comfortable, with good acoustics and plenty of room. If possible, a separate waiting area should be provided for other firms waiting to be interviewed.

Equipment such as white boards, flip charts, and audio-visual equipment will be useful. Some firms are likely to provide their own presentation equipment. Due to the amount of time necessary for equipment set-up, two interview rooms should be used if possible. While one firm is being interviewed in the first room, another firm can set up and prepare for its presentation in the second room. This will help ensure that the interviews run smoothly and that time is not wasted.

Conduct all the interviews on the same day, using the same interview panel. Allow all firms the same amount of time for the interview. A 45-minute interview is common, including introductions, presentation, and questions and answers. Complex projects require longer interview times.

Selection committee members should rotate questions among the group and follow-up when appropriate until all their questions are answered. The chairman should be the timekeeper to move the process along and ensure fairness by giving equal time to each firm.

Immediately after each interview, while impressions are fresh, allow 10 to 15 minutes for the selection committee to record comments and complete their scoring sheets (A-11: Interview Process: Questions and Score Sheet).

- Evaluation criteria for scoring the interview should be communicated to all firms at the time the invitation for interviews is made (see A-11: Interview Process: Questions and Score Sheet).
- Inform all firms when the selection decision will be made and when they will be notified of their standing. If possible, it is recommended that the selection decision be made on the same day as the interviews.

- ~~• Owners should not ask for design solutions during the interview phase. Appropriate and responsive design requires considerably more interaction between the design professional and the owner than is possible during the selection phase. Preconceived ideas may, in fact, impede the progress of the project and prevent the exploration of other more appropriate solutions to the project's requirements.~~
- ~~• Interview sessions should be closed. Do not allow one firm to sit in on another firm's interview.~~

Step 7: Rank the Firms

If ranking is necessary Each selection committee member or procurement official will use a scoring sheet if necessary (A-11: Interview Process: Questions and Score Sheet) to rank the firms in each pre-determined criteria. Each member of the selection committee will evaluate each firm separately. Once all presentations/interviews are completed, the committee chairperson should use A-12: Group Interview Evaluation Form to compile the individual score sheets from committee members. This system provides a documented record of the selection process and the committee's decision.

Then, consensus of final ranking is achieved through discussion and agreement of the entire committee. It is recommended that the selection committee thoroughly discuss the evaluations and arrive at their decision by consensus rather than by majority vote. Usually, the firm with the highest scoring is deemed most qualified.

Step 8: Negotiate the Contract

Scope of Services

As soon as possible after selecting the top-ranked firm, the owner (as represented by the chief administrative officer of the city) should begin negotiations with that firm. The entire selection committee generally is not included in contract negotiations. However, one or two members of the selection committee may participate in contract negotiations. The objective here is for the owner and the firm to clarify needs and expectations and to jointly define the scope of the project, the scope of professional services required and the contract.

This gives the owner access to the advice and expertise of the top-ranked firm in revising the proposed scope of work. A detailed and comprehensive scope of services to be provided by the firm should be developed jointly by the owner and the design professional. This often is accomplished through one or more meetings and leads to the development of contract language and a work plan. The work plan should list the

consultants to be used, the roles and responsibilities of all members of the design team, and the owner's roles and responsibilities.

The Fee

After the owner and design professional have agreed upon a scope of services, the design professional submits a detailed fee proposal to the owner. If the proposed fee is more than the owner budgeted, the owner and design professional work together to modify the scope of services. This process makes both parties aware of known limitations and problems on the front end. This type of teamwork greatly enhances the working relationship and project outcome.

There are several methods of computing fees for engineering services.

- Salary cost times multiplier plus direct non-salary expense. Salary costs are direct salaries plus fringe benefits. Non-salary expenses must be defined, but they may include travel expense, telephone expense, computer-related costs and so forth. The multiplier is a negotiable value. A common range of multiplier values is 2.0 to 3.0. The purpose of the multiplier is to cover overhead costs, contingencies and profit. This method of compensation is used frequently. It provides protection for the design professional when the scope of services is not well defined. However, it also is used for projects where the scope of services is well defined.
- Per Diem. Per Diem normally refers to a day's work of eight hours. This method of compensation is well suited for short-term engagements such as expert witness services, consultation, inspection and presentations. It also is used for studies and investigations where there is no well-defined scope of services.
- Cost plus fixed fee. Under this method, the design professional is reimbursed for costs, which include salary, overhead and direct non-salary expense, and a fixed fee. The fixed fee covers contingencies, readiness to serve and profit. The amount of the fixed fee depends on the size and complexity of the project and the scope of services.
- Lump sum. This method of compensation frequently is used for projects where the scope and complexity of the project are well defined. (e.g., studies, investigations and basic services).
- Percentage of construction cost. Compensation for professional services as a percentage of construction cost has been widely used. Some state and federal grant agreements provide percentage of construction cost guidance on engineering fees. However, there often is not a direct relationship between the professional's costs and the project construction costs.

Comment [LM2]: App. A:14

If an agreement on the project scope, the services required, the fees, and the contract form cannot be reached, the owner may terminate negotiations with the top-ranked firm and begin talks with the second-ranked firm. However, normally it is not

difficult to reach an agreement, since the QBS process facilitates an early understanding of the project scope and of professional requirements.

After making the selection, notify the interviewed firms about the results (A-13: Memo to Firms Interviewed and Not Selected). Again, it is important to keep scoring sheets in a safe place and available for public viewing upon request.

Other Essential Contract Elements

The contract should be a written agreement. The two parties may wish to use standard forms of agreement, which are time tested, widely used, and drafted to fairly protect the interests of the owners and design professionals. A commonly used standard form of letter agreement between owner and engineer for professional services is available from the Engineers Joint Contract Documents Committee, issued and published jointly by the National Society of Professional Engineers, the Consulting Engineers Council and the American Society of Civil Engineers. The contract forms can be accessed at the American Society of Civil Engineers website at www.asce.org

Owner-engineer contracts should contain:

- Effective date of agreement
- Names, titles, descriptions and addresses of parties to the agreement
- The name, description, nature, extent and character of the project; its location and time limitations
- Specific scope of services to be rendered by the engineer
- Specific services to be rendered by the owner
- Schedule of work including start date, milestones and finish date
- Names, titles and addresses of any subcontractors to the contract
- The amount of compensation and payment procedures
- Provisions for changes in the scope of services and payment
- Provisions for dispute resolution
- Insurance to be provided by the engineer
- Ownership of the contract documents
- Termination procedures — the reasons, required steps and compensation for work done

Comment [LM3]: App A:15

Step 9: Manage the Contract

This is a very important, but often under-emphasized step. The project is a team effort. After selecting a consultant, the city needs to stay actively involved throughout the project. The owner and the engineer-design professional have a mutual interest in developing a successful project. A successful project requires good communications, cooperation, trust and hard work by both sides.

Tips for a Successful Project

- Before signing the contract consider consulting an attorney and, resolve any initial concerns or questions.
- Establish a good rapport, and set the tone for working together.
- Establish one main point of contact for both the owner and the engineer design professional.
- Set up regular communication opportunities. Involve key city staff as needed. Communication opportunities may take the form of weekly conference calls or monthly meetings.
- Monitor performance and act swiftly to discuss and correct problems. If problems arise, resolve them as soon as possible.
- Give each other information in a timely manner.
- Owners should monitor invoices and submit payments promptly.
- Owners should facilitate the engineers' design professional's work wherever possible. Anything an owner can do to save the engineer's design professional's time, ends up saving the owner money.
- Celebrate successes.

QBS Appendices

A-1: Request for Statements of Qualifications

REQUEST FOR STATEMENTS OF QUALIFICATIONS

TO: List all firms in alphabetical order (*Omit this line for newspaper advertisement*)

FROM: Owner
Individual's Name
Title
(*Omit if used as a newspaper advertisement*)

DATE:

RE: REQUEST FOR STATEMENTS OF QUALIFICATIONS
(*Project name and address*)

Your firm is invited to submit your Statement of Qualifications to become eligible for a possible interview for ~~design professional architectural/engineering~~ services relative to the design and construction requirements of (*the project description*).

Attached to this memo are the following: (*Note: If you are using this memo as a newspaper advertisement, tell readers how to obtain the following information packages.*)

1. A list of materials and information that should be included with your Statement of Qualifications.
2. A general definition of the scope of the work.
3. A schedule of dates and requirements.

For firms that are selected for an interview, a tour of the facility and site will be arranged. (*This sentence is optional.*)

(#) copies of your Statement of Qualifications should be forwarded to the following address in time to be received no later than 5 p.m. on (*date*). Statements of Qualifications received after this date will not be considered.

Send statements to: Name
Title
Address

A-2: Requirements for Statements of Qualifications

REQUIREMENTS FOR STATEMENTS OF QUALIFICATIONS

Owner: _____

Project: _____

Please include the following information in your Statement of Qualifications:

1. A letter of interest signed by a principal of your firm with a statement as to the availability of the firm to complete the work within the stated time period, the firm's current workload, assurance of firm's insurance coverage, the location where the majority of the work on this project will be accomplished, and a statement of the firm's financial stability. This letter may include a brief history of the firm.
2. Résumés of key personnel to be assigned to this project.
3. Related projects that the firm has worked on or had experience in during the last two years. Please include the name of the project, a contact person, and dollar amount for each example (limit to five projects).
 - a) Include names, addresses and phone numbers of references.
 - b) Indicate individuals who had responsibility for each project and whether these persons are still with your firm.
 - c) Include examples of other projects that are similar in scope to this one.
4. You are invited to include a maximum of (#) pages of information not covered above, which you feel may be useful and applicable to this project.

A-3: Schedule of Activities

SCHEDULE OF ACTIVITIES

Below is the selection committee's schedule of activities:

For: _____
(Project)

By: _____
(Owner)

ACTIVITY	DATE
1. Identify needs and define a general scope of work.	
2. Publish RFQ and/or identify and mail RFQs to potential firms.	
3. Receive Statements of Qualifications from potential firms.	
4. Review and rank firms, check references, and develop a short list of three to five firms.	
5. Mail memo to short-listed firms advising them of the date for interview and the pre-interview tour of site and/or facilities, along with criteria to be reviewed during the interview.	
6. Mail memo to non-short-listed firms informing them of who will be interviewed and expressing appreciation of their interest.	
7. Tour facilities at (location) on (date and time). (Note: Schedule tour at least 10 days prior to the date of interviews to allow for preparation.)	
8. Interview short-listed firms; select the most qualified firm.	
9. Negotiate scope of work and fee; contract with selected firm.	
10. Mail memo reflecting the results of the interviews to all firms interviewed.	

A-4: Preliminary Scope of Services

PRELIMINARY SCOPE OF SERVICES

The preliminary scope for a project should include the following information in general terms and be limited to one page.

Owner: _____

Project Name: _____

Project Location: _____

Contact Person: _____

Project outline and general anticipated requirements:

Anticipated time frame (include projected start and completion dates):

Groups involved in selection process (*e.g.*, boards, committees, citizens groups, etc.):

Site requirements or restrictions: _____

Attachments:
Feasibility Studies
Other Information
Surveys

A-5: Example Request for Qualifications

EXAMPLE REQUEST FOR QUALIFICATIONS

CITY OF ANYWHERE, TENNESSEE Water System Improvements

The City of Anywhere requests Statements of Qualifications from [engineering design professional](#) consultants for water system improvements. The project involves upgrade to a 1.2 MG surface water treatment plant, rehabilitation of two water storage reservoirs, and improvements to control systems. The city plans to begin construction the summer of 20__ and complete the entire project by spring 20__.

Specific services to be performed include engineering and design, preparation of bid plans and specifications, contractor selection, and construction management.

A feasibility study was completed for this project in 20__. To obtain a copy of the feasibility study and the RFQ package, including selection criteria, call the Public Works Director, John Johns, at (555) 555-5555.

Please submit five copies of your Statement of Qualifications by 3:00 p.m. on August 15 to Mr. Tom Thomas, City Administrator, P.O. Box 111, Anywhere, TN 33333. A selection committee will review the Statements of Qualifications. Finalists will be invited to make presentations on September 12. A contract will then be negotiated with the consultant deemed most qualified for this project.

A-6: Statement of Qualifications Evaluation Form

STATEMENT OF QUALIFICATIONS EVALUATION FORM

Note to Selection Committee: Add and delete questions as appropriate for your specific situation. Assign weights before including this form in the RFQ package. The weighting and rating values assigned should be on the same scale as those used for interviewing firms, which you will do later.

Qualifications Evaluation

Owner: _____
Contact Person: _____
Project Description: _____
Professional Design Firm: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone: _____ Contact: _____

	Rating (1-5)	x	Weight (1-10)	=	Total
1. Firm's history and resource capability to perform required services		x		=	
2. Evaluation of assigned personnel		x		=	
3. Related experiences (as appropriate)					
a. Design Services		x		=	
b. Construction Services		x		=	
c. Studies		x		=	
d. Other		x		=	
4. Ability to meet the project schedule		x		=	
5. Ability to meet the project budget		x		=	
6. Approach to quality		x		=	
7. Reference checks (A-7)		x		=	

Grand Total

A-7: Statements of Qualifications Reference Check Form

**STATEMENT OF QUALIFICATIONS
REFERENCE CHECK FORM**

Note to Selection Committee: Use this form for reference checks.

Name of Owner _____

Owner's Address _____

Owner's Phone No. _____

Project Description _____

Firm whose reference is being checked:

What services did the firm provide for you?

Would you hire this firm again?

Questions	Excellent (5)	Good (4)	Average (3)	Fair (2)	Poor (1)
Were you satisfied with the project's outcome?					
Were you satisfied with staff assigned to this project?					
Was the project completed on schedule?					
Did the city staff and the engineers- <u>design professional</u> work well together?					
Was the project completed within budget?					

A-8: Statements of Qualifications Evaluation Summary Form

STATEMENTS OF QUALIFICATIONS EVALUATION SUMMARY FORM

Qualifications Evaluation Summary

Note: This form is to be used by the selection committee chairperson to compile the evaluation results of all Statements of Qualifications. Enter the grand total for each firm to select three to five most qualified firms for interviews.

FIRMS	1	2	3	4	5	6	7	8	9	10
Reviewer 1										
Reviewer 2										
Reviewer 3										
Reviewer 4										
Reviewer 5										
Reviewer 6										
Reviewer 7										
Grand Totals										

A-9: Memo to Firms Not Selected for an Interview

MEMO TO FIRMS NOT SELECTED FOR AN INTERVIEW

TO: *(List firms not asked to interview - in alphabetical order.)*

FROM: Owner
Individual's Name
Title

DATE:

RE: EVALUATION OF STATEMENTS OF QUALIFICATIONS
(Project name and address)

The *(committee name)* thanks you and your firm for submitting your Statement of Qualifications for the _____ project.

After carefully considering all the firms that submitted qualifications, a decision to interview (#) firms has been made.

For your information, the firms selected for further consideration are:

- 1.
- 2.
- 3.
- 4.
- 5.

A-10: Memo to Short-Listed Firms

MEMO TO SHORT-LISTED FIRMS

TO: (List of firms asked for interview—in alphabetical order.)

FROM: Owner
Individual's name
Title

DATE:

RE: INTERVIEW SCHEDULE AND REQUIREMENTS
(Project name and address)

The firms listed above are invited to interview for the engineering design professional service (or specify service) needed to implement the city's _____ project. (Specify type of project.)

Attached to this memo are the following:

- An interview score sheet which will be used by the (committee) during the interview session.
- Copies of (names of studies or reports) compiled by (name of committee or group) for your information and review.

Each firm will be allowed 45 minutes to present their qualifications and to answer questions. At the completion of the interviews, the committee will rank the firms. The firm deemed most qualified for this project will then be invited to negotiate a contract to provide the necessary design services. If contract terms cannot be reached, the firm deemed next most qualified will be invited to negotiate a contract.

Interviews will be held on (date). The location is (name of building and address).

The order and time of interview is

Firm A: (Time)

Firm B: (Time)

Firm C: (Time)

Firm D: (Time)

Firm E: (Time)

A tour of the site and/or facility has been arranged for (date). Please have your firm's representatives come to (building), (location) on (date) at (time).

A-11: Interview Process: Questions and Score Sheet

INTERVIEW PROCESS: QUESTIONS AND SCORE SHEET

Owner: _____

Project: _____

Categories	<u>Rating</u>		<u>Weight</u>	=	<u>Total</u>
1. Related project experience.	_____	x	_____	=	_____
2. Firm's ability and capacity to perform the work, including key personnel to be assigned to this project.	_____	x	_____	=	_____
3. Grasp of the project requirements: <ul style="list-style-type: none">• Feasibility studies• Design• Construction	_____	x	_____	=	_____
4. Method to be used to fulfill the required services (i.e., design and construction phases, etc).	_____	x	_____	=	_____
5. Management approach for technical requirements (i.e., cost controls, construction phase involvement).	_____	x	_____	=	_____
6. Use of consultants who may work on the project— in-house and outside resources, etc.	_____	x	_____	=	_____
7. Time schedule planned for this project (i.e., availability for project).	_____	x	_____	=	_____
8. Firm's experience and methods used for <ul style="list-style-type: none">• Budgeting and financial controls• Determining fee and compensation	_____	x	_____	=	_____

Grand Total _____

Instructions for the Selection Committee

Rating: During the interview, rate each firm on a scale of 1 to 5, with 5 being the highest, in each of the categories.

Weight: Weights on a scale of 1 to 10, with 10 being the highest, should be established for each category before the interview. It is suggested that weights used here correspond to weights of categories used for evaluating Statements of Qualifications.

Totals: At the completion of the interview, multiply the rating by the weight in each category and enter the totals on the lines provided. Add all totals to establish a grand total.

A-12: Group Interview Evaluation Form

GROUP INTERVIEW EVALUATION FORM

Note: This form is for use by the selection committee chairperson to compile all scores of firms participating in the interview process.

Enter the grand total for each firm that each interviewer has recorded on his for her interview score sheet.

Combined Group Totals

	Firm A	Firm B	Firm C	Firm D	Firm E
Interviewer 1					
Interviewer 2					
Interviewer 3					
Interviewer 4					
Interviewer 5					
Interviewer 6					
Interviewer 7					
Grand Total					

A-13: Memo to Firms Interviewed and Not Selected

MEMO TO FIRMS INTERVIEWED BUT NOT SELECTED

TO: *(Firms interviewed but not selected—list all firms in alphabetical order.)*

FROM: Owner
Individual's name
Title

DATE:

RE: STATUS OF SELECTION PROCESS
(Project name and address)

We have completed the selection process for professional services for the *(name of project)*. It has been our objective to select the most qualified firm to perform this service.

The *(committee)* has ranked the firms interviewed in the following order:

Firm # 1: *(Name)*
Firm # 2: *(Name)*
Firm # 3: *(Name)*

We have now entered into contract negotiations with *(Firm # 1)*.

We appreciate your time, effort, and interest in this project.

A:14 Types of Fee arrangements

There are several methods of computing fees for design professional services.

- Salary cost times multiplier plus direct non-salary expense. Salary costs are direct salaries plus fringe benefits. Non-salary expenses must be defined, but they may include travel expense, telephone expense, computer-related costs and so forth. The multiplier is a negotiable value. A common range of multiplier values is 2.0 to 3.0. The purpose of the multiplier is to cover overhead costs, contingencies and profit. This method of compensation is used frequently. It provides protection for the design professional when the scope of services is not well defined. However, it also is used for projects where the scope of services is well defined.
- Per Diem. Per Diem normally refers to a day's work of eight hours. This method of compensation is well suited for short-term engagements such as expert witness services, consultation, inspection and presentations. It also is used for studies and investigations where there is no well-defined scope of services.
- Cost plus fixed fee. Under this method, the design professional is reimbursed for costs, which include salary, overhead and direct non-salary expense, and a fixed fee. The fixed fee covers contingencies, readiness to serve and profit. The amount of the fixed fee depends on the size and complexity of the project and the scope of services.
- Lump sum. This method of compensation frequently is used for projects where the scope and complexity of the project are well defined. (e.g., studies, investigations and basic services).
- Percentage of construction cost. Compensation for professional services as a percentage of construction cost has been widely used. Some state and federal grant agreements provide percentage of construction cost guidance on design professional fees. However, there often is not a direct relationship between the professional's costs and the project construction costs.

A:15 Other Essential Contract Elements

The contract should be a written agreement. The two parties may wish to use standard forms of agreement, which are time tested, widely used, and drafted to fairly protect the interests of the owners and design professionals. A commonly used standard form of letter agreement between government entity and design professional for services is available from the Engineers Joint Contract Documents Committee, issued and published jointly by the National Society of Professional Engineers, the Consulting Engineers Council and the American Society of Civil Engineers. The contract forms can be accessed at the American Society of Civil Engineers website at www.asce.org

Owner-design professional contracts should contain:

- Effective date of agreement
- Names, titles, descriptions and addresses of parties to the agreement
- The name, description, nature, extent and character of the project; its location and time limitations
- Specific scope of services to be rendered by the design professional
- Specific services to be rendered by the owner
- Schedule of work including start date, milestones and finish date
- Names, titles and addresses of any subcontractors to the contract
- The amount of compensation and payment procedures
- Provisions for changes in the scope of services and payment
- Provisions for dispute resolution
- Insurance to be provided by the design professional
- Ownership of the contract documents
- Termination procedures — the reasons, required steps and compensation for work done